

2014 HOME Application Training

Agenda

- Staff Introductions
- 2014 HOME Timeline
- Updates to the 2014 Application Policy and Forms
- Application Policy Review
- Overview of Threshold, Completeness & Scoring
- Application Forms Review
- Application Submission Requirements
- Q&A

Reminders

- Please mute your phones by using *1
- Type in questions during the webinar.
- There will also be a Q&A session at the end of the presentation

Real Estate Production Staff

- Matt Rayburn, Chief Real Estate Development Officer
- Carmen Lethig, Real Estate Production Manager
- Gretchen Fisher, Real Estate Coordinator

Regional Analysts:

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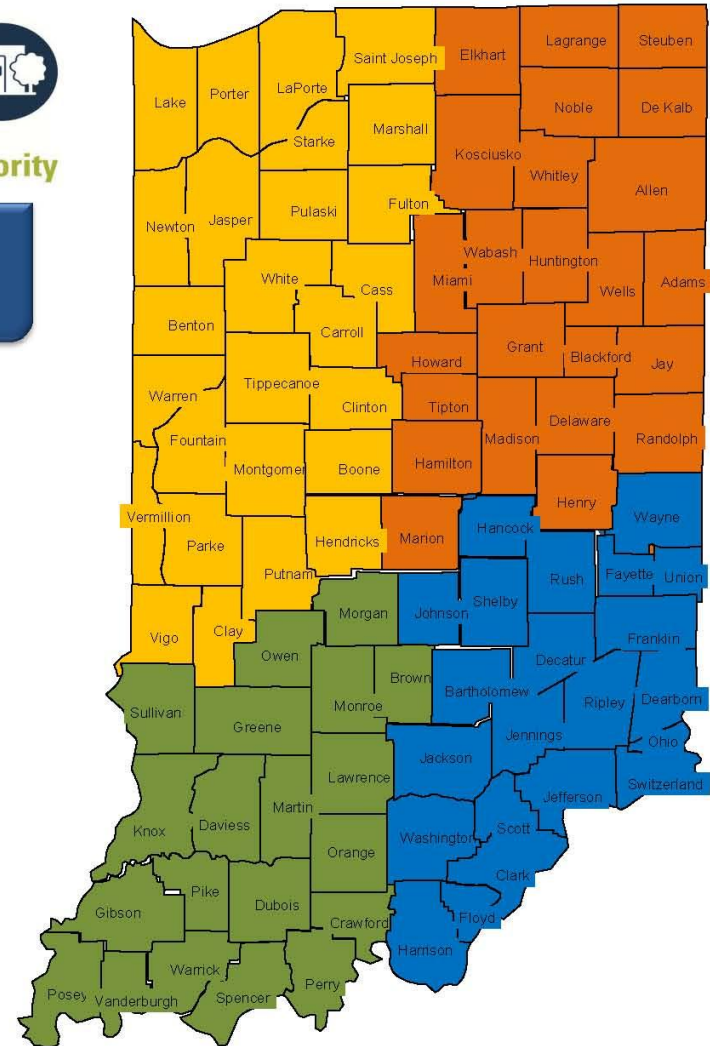
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2014 HOME Timeline

- May 23, 2014 – Application Policy and Forms available, HOME Round begins
- June 4, 2014 - Application Webinar
- July 11, 2014 – Applications Due
- August 28, 2014 - Award Announcements

Updates to the 2014 HOME Application Policy and Forms

- Document outlining all updates available on our website
- Updates to policy:
 - Removed Threshold & Scoring checklist - now separate document
 - Appendices - added Form F: Client Intake List
 - Appendices - removed from the policy and created as their own separate Word documents
 - Page 3 - clarified Threshold and scoring requirements and process
 - Page 3 - added a minimum score requirement
 - Page 25 - overall maximum score increase
 - Page 25 & Page 34 - added requirement to submit Form F: Client Intake List
 - Page 27-30 - Comprehensive Community Development

Updates to the 2014 HOME Application Policy and Forms (cont'd)

- Updates to forms:
 - Added areas to indicate points throughout the forms
 - Removed Threshold & Scoring checklist - now separate document
 - Project Characteristics tab - question 3 Comprehensive Community Development: new chart, new configuration of points possible
 - Readiness tab - question 1 Client Intake: must submit Form F: Client Intake List, located in the Appendices

Application Policy Review

- The HOME Application Policy and this webinar offers a brief review of the program requirements, but need to read and follow Program Manual for full understanding of requirements
 - 2014 CDBG & HOME Program Manual 3rd Edition available on IHCD's website on May 29, 2014
 - http://www.in.gov/myihcda/files/CDBG_and_HOME_Program_Manual_3rd_Edition.pdf
- Technical assistance/site visit - not required but happy to meet you for a site visit or answer any questions, request early
- Application Review
 - Applications will be reviewed for Threshold, Completeness and Scoring
 - Will be covered in more detail later in the webinar but...
 - Completeness
 - Threshold
 - Scoring
 - Clarification Letters

Application Policy Review (cont'd)

- Today we will briefly review the 2014 HOME Application Policy:
 - Eligible Applicants
 - Eligible & Ineligible Activities
 - Program Requirements
 - Affordability Requirements
 - CHDO
 - Subsidy Limits & Eligible Activity Costs
 - Rental & Homebuyer Requirements

Eligible Applicants

- Cities, towns, or counties that are located within Indiana but outside of participating jurisdictions
 - Refer to the HOME Policy for a complete listing of participating jurisdictions
- Community Housing Development Organizations (CHDO)
- 501(c)3 and 501(c)4 Not-for Profit Organizations and PSAs
- Joint Venture Partnerships

ELIGIBLE ACTIVITIES

- Acquisition
- Rental housing rehabilitation
- Rental housing new construction
- Single-family housing rehabilitation
- Single-family new construction
- Demolition in conjunction with another activity

INELIGIBLE ACTIVITIES

- Owner-occupied rehabilitation
- Permanent Supportive Housing projects (unless through Indiana Permanent Supportive Housing Institute)
- Creation of secondary housing attached to a primary unit
- Acquisition, rehab, or construction of:
 - Nursing homes
 - Convalescent homes
 - Hospitals
 - Residential treatment facilities
 - Correctional facilities
 - Student dormitories
- Rehabilitation of mobile homes
- Activities located in 100-year floodplain
- Transitional housing or emergency shelters
- Tenant-based rental assistance

PROGRAM REQUIREMENTS

- 24 CFR Part 92 regulatory requirements
- Rental housing must assist households at or below 60% AMI
 - Projects with 5 or more HOME-assisted units must set aside 20% for households below 50% AMI
- Homebuyer projects must assist households at or below 80% AMI
- 25% match/leverage requirement
- 2 Inspections
 - Completion of documented scope of work
 - Upon completion of construction
- Environmental Review Record (ERR)
- Proof of Builder's Risk Insurance
- Competitive Procurement Procedures
- Davis Bacon requirements containing 12 or more units assisted

PROGRAM REQUIREMENTS (CONT'D)

- Address Lead Based Paint (24 CFR Part 35)
- Meet 24 CFR design and construction requirements
- Uniformed Relocation Act (URA) Requirements
- Demonstrate action to affirmatively further fair housing
- Section 3 – if award is over \$200,000
- Additional energy efficiency standards for new construction
- Meet IHCD's Affirmative Marketing Procedures for 5 or more assisted units
- Recorded Lien and Restrictive Covenant Agreement
- Homebuyers must receive housing counseling before purchase
- Limited English Proficiency assistance
- List tenant events for rental development in ihcdaonline.com
- Any HOME-assisted homeownership unit not sold within 6 months shall be converted to a rental unit.

AFFORDABILITY REQUIREMENTS

Amount of HOME subsidy per unit	Affordability Period
Under \$15,000	5 Years
\$15,000 - \$40,000	10 Years
Over \$40,000 – Or any rehabilitation/refinance combination activity	15 Years
New Construction or acquisition of newly constructed transitional, permanent supportive, or rental housing	20 Years

- All Home-assisted rental units can use resale restrictions; recapture provisions, or a combination of both to preserve affordability.
- Resale restrictions shall be implemented for every homebuyer property constructed, redeveloped, or rehabilitated.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

- IHCD Must allocate 15% of its HOME funds for CHDO projects.
- Eligibility: Must have 2014 Certification Letter at time of application
- Eligible Activities
 - Permanent rental and homebuyer housing must be owned, developed or sponsored by the CHDO
- CHDOs must adhere to all HOME requirements in application package and additional CHDO specific program requirements
- CHDOs may apply for operating supplemental funds for up to \$50,000 tied to an eligible project.
- CHDOs may apply for up to \$30,000 in predevelopment or seed money loans through a separate application process. Contact your Analyst for details.

SUBSIDY LIMITATIONS & ELIGIBLE ACTIVITY COSTS

- Maximum request for rental and homebuyer: \$500,000
- Minimum amount per unit for rehab and new construction: \$1,000
- Administration or CHDO operating costs cannot exceed 5% of HOME award
- Developer's fee cannot exceed 15% of HOME award
- Administration or CHDO + Program Delivery + Environmental Review + Developer's Fee < 20% of HOME award

Bedroom Size	Per Unit Subsidy Limit
0	\$55,000
1	\$63,000
2	\$77,000
3	\$99,000
4+	\$109,000

SUBSIDY LIMITATIONS & ELIGIBLE ACTIVITY COSTS (CONT.)

- Application budget can include include:
 - Retainage Policy
 - Acquisition
 - Down Payment Assistance
 - New Construction
 - Rehabilitation
 - Demolition
 - Program Delivery
 - Relocation
 - Lead Hazard Testing (Limit: \$1,000 per unit)
 - Homeownership Counseling (Limit \$1,000 per homebuyer)
 - Developer's Free (Cannot exceed 15% of the HOME award)
 - Administration (Cannot exceed 5% of the HOME award)
 - Environmental Review (Generally between \$2,000 and \$5,000)

*Ineligible activity costs
are listed in 2014 HOME
Application Package

RENTAL HOUSING REQUIREMENTS

- HOME-assisted rental units will be rent-restricted throughout the affordability period to ensure the units remain affordable
- Underwriting Guidelines:
 - Total Operating Expenses: Minimum of \$2,500 per unit per year
 - Vacancy Rate: Between 6% to 8%
 - Rental Income Growth: Between 0% to 2%
 - Operating Reserves: Between 4 to 6 months of operating expenses + debt service or \$1,500 per unit, whichever is greater
 - HOME funds may be used to fund a rent-up reserve
 - Management Fee based on the effective gross income:

Number of Units	Maximum Management Fee Percentage
1-50	7%
51-100	6%
101 or more	5%

RENTAL HOUSING REQUIREMENTS (CONT.)

- Underwriting Guidelines (Cont.)
 - Replacement Reserves must be included in operating budget, separate from Operating Reserves (See table 1)
 - Operating Expense Growth between 1% to 3% (must be 1% higher than Rental Income Growth)
 - Stabilized Debt Coverage Ratio higher than 1.1 during 15 year compliance period (See table 2)

Table 1

Development Type	Minimum Contribution per unit per year
Rehabilitation*	\$350
New Construction	\$250

*Capital Need Assessment will be reviewed to determine if sufficient reserves have been established

Table 2

Development Location	Min. Contribution per unit per year
Large and Small City	1.15 – 1.40
Rural	1.15 – 1.50

HOMEBUYER REQUIREMENTS

- Eligible households must have an annual income equal to or less than 80% of the AMI at the time the contract to purchase the home is signed.
- The recipient must implement resale requirements for every homebuyer property receiving HOME funds as a development subsidy.
- Recipients are required to identify and qualify homebuyers prior to acquiring and beginning construction on HOME-assisted units.
- HOME-assisted housing units must be occupied as the homebuyer's principal residence throughout the affordability period.
- Any HOME-assisted homeownership unit that has not been sold by the recipient to an eligible homebuyer within 6 months of completion must be converted to a HOME-assisted rental unit.

2014 HOME THRESHOLD & SCORING CHECKLIST

- New Threshold and Scoring Checklist for 2014 HOME application. It will be a separate document to be completed and included with the submitted application.
- Applicant will be required to complete Cover Page tab, as well as all boxes under the “Applicant Checklist” column (Even if N/A).
- Yellow boxes refer to additional documentation that is needed to be supplied in a tab. The tab is listed to the left.
- The final page includes an overview of the tabs to look over all of the boxes. These boxes will auto fill based on responses throughout the checklist.
- If you wish to include additional information, document names, scoring clarifications/discrepancies, or page numbers for particularly long documents submitted, please include these in the notes section.

2014 HOME THRESHOLD & SCORING CHECKLIST (CONT'D)

Threshold Items				
Tab	Description	Applicant Checklist (Applicant use only)	IHCDCA Checklist (IHCDCA use only)	Notes
Application Cover Page				
A	Provide proof of SAM (System for Award Management) registration and/or status.	Yes		
	If the applicant is a CHDO, they must complete the CHDO tab and the CHDO Board of Directors tab in the Application Forms.	No		
B	If owner is different from A, provide contact information and a letter from the Owner authorizing the applicant to apply for funding for the Owner's property.			
		Yes No N/A		

For
IHCDCA to
complete

Additional
Information/
Page
Numbers/
Document
Name/ etc.

Tabs

Applicant
Checklist
Column

COMPLETENESS & THRESHOLD CRITERIA

- All documentation must be turned in by the application due date and uploaded to the FTP website
- All questions must be answered and supporting documentation must be provided
- After initial threshold and scoring review, IHCDa staff may contact the applicant for further clarification of an item.

	Applicant Checklist	IHCDA Checklist
Overall Completeness Checklist	Yes or No	Yes or No
Is every applicable question answered?		
Are all required signature pages signed?		
Was the Application Form uploaded to the FTP site by the due date?		
Are all required Tab Attachments uploaded to the FTP site by the due date? Were all Tab Attachments submitted as separate, labeled PDF documents under the required labeled tabs. Do not send one PDF containing all of the supporting documentation.		
Was a hard copy of the Application Form with original signatures sent to IHCDA by the due date?		
Does the applicant, sub-recipient, administrator, or application preparer have a history of disregarding the policies, procedures, or staff directives associated with administering IHCDA programs or the programs of other affordable housing funders such as Office of Rural Affairs, HUD, USDA-Rural Development or FHLBI?		
Did the applicant submit the assessment worksheet as Tab S.		

SCORING OVERVIEW

- An application must score at least 80 points to be considered for funding.
- If an application meets all applicable requirements, it will be evaluated and scored based on the chart below.
- If there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. If the number is not a drop down option, please include the desired score and the explanation of why in the notes section next to the category.
- Categories that have scored more than the total possible will show up as red. Please correct the scoring discrepancy or give an explanation in the notes section of the Threshold and Scoring Review.

Scoring Category	Points Possible
Project Characteristics	38
Development Features	25
Readiness	13
Capacity	25
Financing	10
Unique Features & Bonus	10
Total Possible Points	121

PROJECT CHARACTERISTICS

- **Constituency Served**
 - **8 Points:** 20% of Population served at or below 40% AMI (All or nothing) *
 - **8 Points:** At least 20% of potential homebuyers are identified and income verified **
- **Aging in Place Targeted Populations**
 - **5 Points:** 80% at 55 and older **OR** 100% at 62 and older **OR** 20% of units set-aside for one member of household is disabled *
 - **5 Points:** 100% of the homebuyer units meet the “visitability” standard **
- **Comprehensive Community Development**
 - **3 Points:** Evidence of the Role of Housing within the plan
 - **3 Points:** Implementation date of the plan
 - **3 Points:** Type of Target Area that the plan references
 - **3 Points:** Components of the plan
 - **1 Point:** Adoption of the plan by the highest local unit of government

* Rental projects only

**Homebuyer projects only

PROJECT CHARACTERISTICS (CONT'D)

- Comprehensive Plan Matrix Directions
 - Applicants will be scored for a maximum of thirteen points based on a total of five categories: Role of Housing, Implementation Date, Target Area, Plan Components and Adoption of Plan.
 - The Role of Housing and Implementation Date are **required** categories. If the plan is unable to score points within both of these categories, the comprehensive plan will be ineligible to receive points for the Comprehensive Community Development Category.
 - One, two, or three points will be awarded to each of the Role of Housing, Implementation Date, Target Area, and Plan Components category rows. One point will be awarded for the Adoption of the Plan.
 - Scoring will be based on a combination of the required documentation provided and the point column's description that it most closely aligns with. Applications will not be permitted to score multiple point columns in a category row to exceed three points.
 - **Example:** The comprehensive plan identifies the City of Evergreen as a target area for 2 points. The plan also identifies the Neighborhood of Shady Oaks in the city as another target area for 3 points. The plan would then score a maximum of **3 points total** in the Target Area Category and not 5 points, because only one of the point columns can count towards scoring.

PROJECT CHARACTERISTICS (CONT'D)

- Services
 - **3 Points:** Level 1 Services are 1 point each (Max. 3 services)
 - **6 Points:** Level 2 Services are 2 points each (Max. 3 services)
 - **12 Points:** Level 3 Services are 3 points each (Max. 4 services)
 - Please submit
 - Form A Homeowner/Tenant Investment Plan Matrix listing **all** services for entire project
 - Form B for **each** service provider with original signatures
 - Brief narrative explaining how these services will enhance the targeted population for the proposed project

DEVELOPMENT FEATURES

- Existing Structures
 - **2 Points:** If
 - Project is developing at least 50% of the vacant structure(s) for housing **OR**
 - Acquiring and/or rehabbing at least 50% of existing housing stock **OR**
 - Project is demolishing at least 50% of existing substandard units and replacing with new units
 - **4 Points:** Development Contains at least one unit that is a historic resource to the existing neighborhood (2 points per unit)
- Infill
 - **2 Points:** At least 2 sides have adjacent established developments
 - **2 Points:** Site must maximize the use of existing utilities and infrastructure
 - **2 Points:** At least one side adjacent to residential, operating commercial, active public space, or another active community activity
 - **1 Point:** Demonstrates a return of cultural, social, recreational and entertainment opportunities, gathering places and vitality or older areas

DEVELOPMENT FEATURES (CONT'D)

- Design Features
- Universal Design Features
- Energy Efficiency Item
- Green Building Technique

READINESS

- Client Intake
 - **3 Points:** 25-50% of units
 - **4 Points:** 51-75% of units
 - **5 Points:** 76-100% of units
- Predevelopment Activities
 - **1 Point:** Site Control
 - **1 Point:** Asbestos or Lead testing
 - **1 Point:** Appraisal
 - **1 Point:** Preliminary or Final Architectural and/or Engineering Plans
 - **1 Point:** Zoning Approval
 - **1 Point:** Cost Estimates
 - **1 Point:** Title Search
 - **1 Point:** Other
- Contractor Participation
 - **3 Points:** State certified MBA, WBE, DBE, VOSB, and SDVOSB have material participation in project such as property management, professional services, consultant, application preparer, administrator, etc.

CAPACITY

- Training
 - **3 Points:** First Training
 - **1 Point:** For each additional training up to 5 points
- Certification
 - **3 Points:** Certified Aging-in-Place or Home Sweet Home
 - **1 Point:** All other certifications
- Experience
 - **2 Points:** First staff member with experience with 2 HOME awards in the past 5 years **OR** 5 years or more of experience in housing or community development
 - **1 Point:** Each additional staff member up to 5 points
- Previous IHCD Award Performance
 - **10 Points:** Based on whether there were any monitoring findings in the past three years.

FINANCING

- Public Participation
 - **5 Points:** Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds
- Leveraging of Other Sources
 - **5 Points:** Points will be awarded to applicants whose proposed project has received a firm commitment of other funding sources funds

% of Sources	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

UNIQUE FEATURES & BONUS

- Unique Features
 - **5 Points:** Points will be awarded to applicants that offer unique features relative to other projects being scored during each application cycle
- Bonus
 - **5 Points:** Applicant will receive bonus points for answering all questions and turning in all required threshold documentation

SUBMITTING APPLICATION

- The applicant must submit the following items to IHCD's Real Estate Department Coordinator:
 - Via FTP site:
 - One completed copy of the final application forms
 - All supporting documents required in the tabs
 - Via hard copy:
 - One completed copy of the final application forms with original signatures
- All required application items are due no later than 5:00 p.m. July 11, 2014
- Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority

ATTN: Real Estate Department Coordinator

RE: HOME Application

30 South Meridian Street, Suite 1000

Indianapolis, IN 46204

Application Submission Via FTP Site

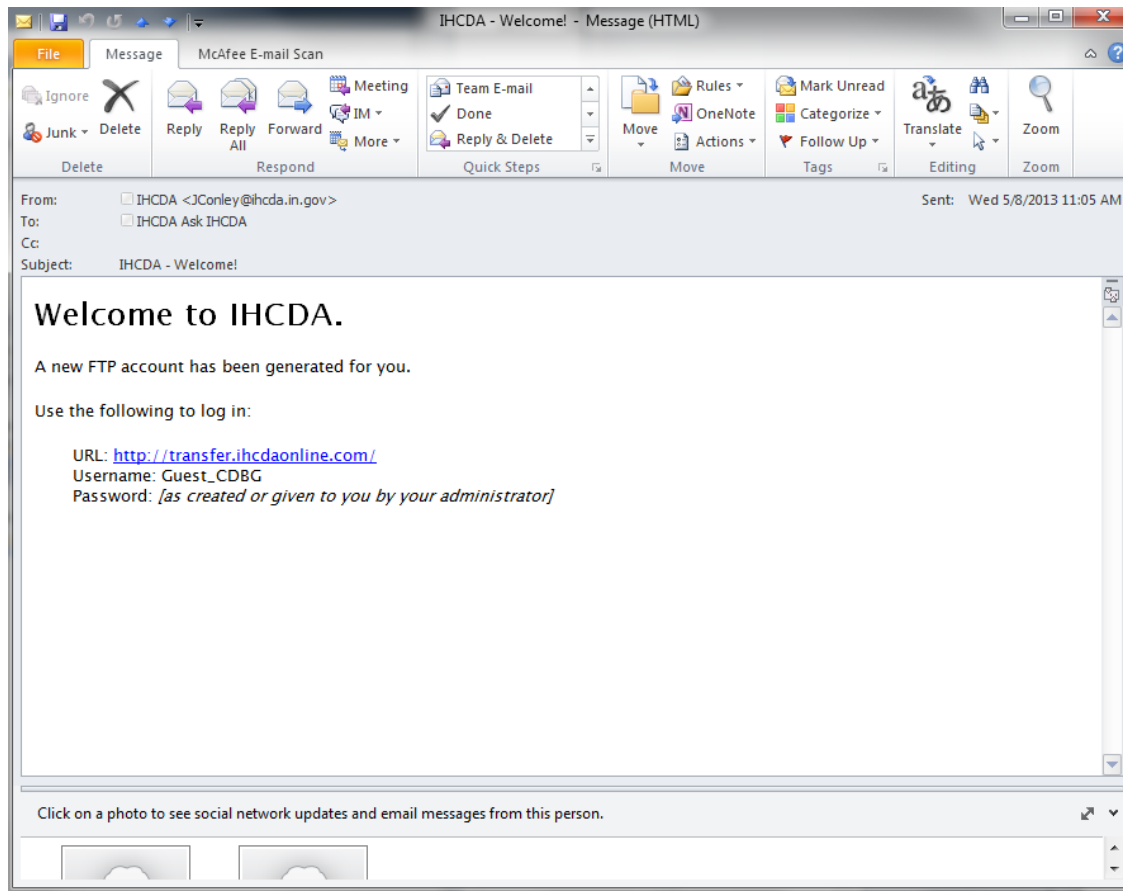
1. EMAIL IHCD WITH CONTACT INFO

Gretchen Fisher
grfisher@ihcda.in.gov

Include:

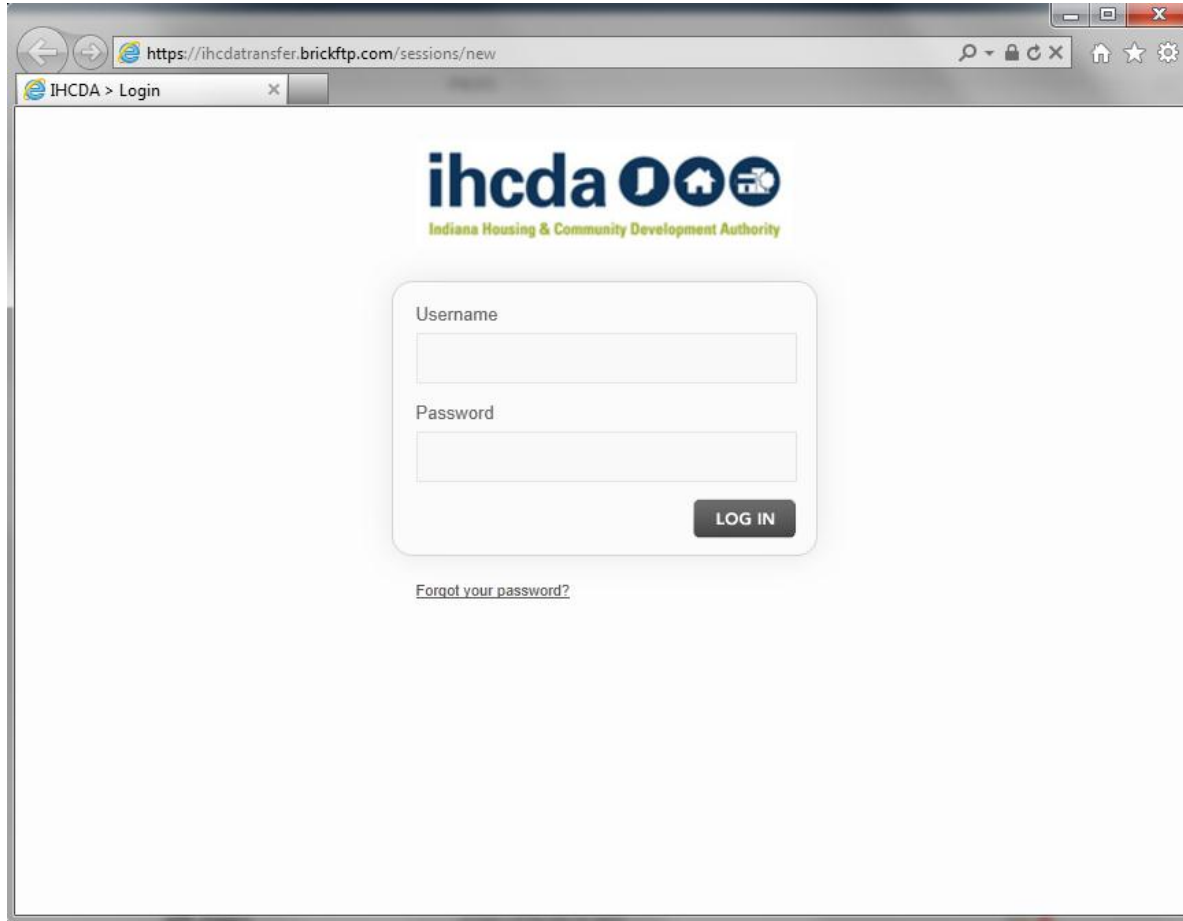
- Full Name
- Email
- Preferred Password
- Project Name

2. IHCD A WILL ASSIGN YOU A USERNAME GIVEN IN A CONFIRMATION EMAIL.



*If there is an issue, email grfisher@ihcda.in.gov . Do not reply to welcome email.

3. CLICK ON THE LINK IN THE EMAIL AND LOGIN USING YOUR USERNAME IN THE EMAIL AND PASSWORD YOU SELECTED



A screenshot of a web browser window showing the login page for the Indiana Housing & Community Development Authority (IHCD). The browser's address bar displays the URL <https://ihcdtransfer.brickftp.com/sessions/new>. The page features the IHCD logo at the top, which includes the text "ihcda" and three circular icons representing a person, a house, and a building. Below the logo, the text "Indiana Housing & Community Development Authority" is visible. The login form consists of two input fields: "Username" and "Password". A "LOG IN" button is positioned to the right of the password field. Below the form, there is a link that says "Forgot your password?".

ihcda
Indiana Housing & Community Development Authority

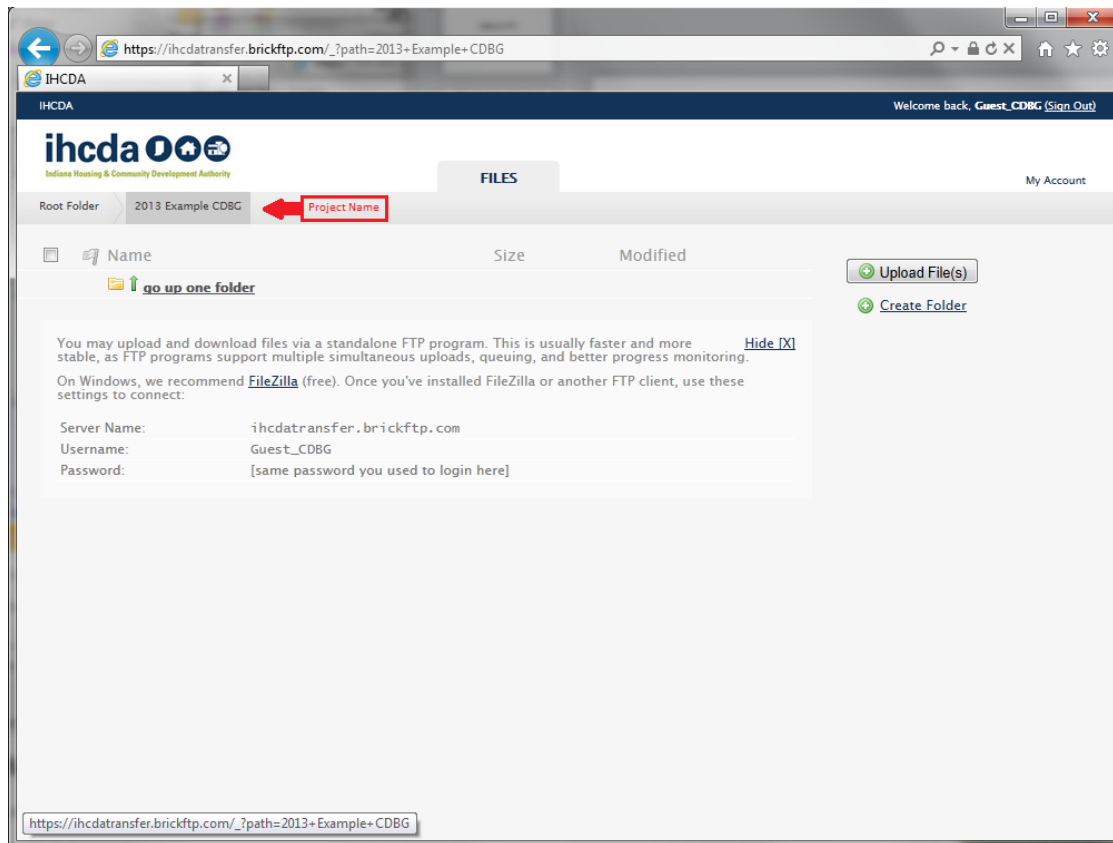
Username

Password


LOG IN

[Forgot your password?](#)

4. YOUR INITIAL SCREEN SHOULD INCLUDE A FOLDER CREATED FOR YOU AT THE TOP OF THE SCREEN WITH THE PROJECT'S NAME



5. CREATE FOLDERS FOR APPLICATION AND ALL TABS (EVEN IF EMPTY)

 BrickFTP






Welcome back, Jeff_Hasser ▾

Root Folder / 2013-HD-0 [REDACTED]

FilesPermissionsNotificationsHistory

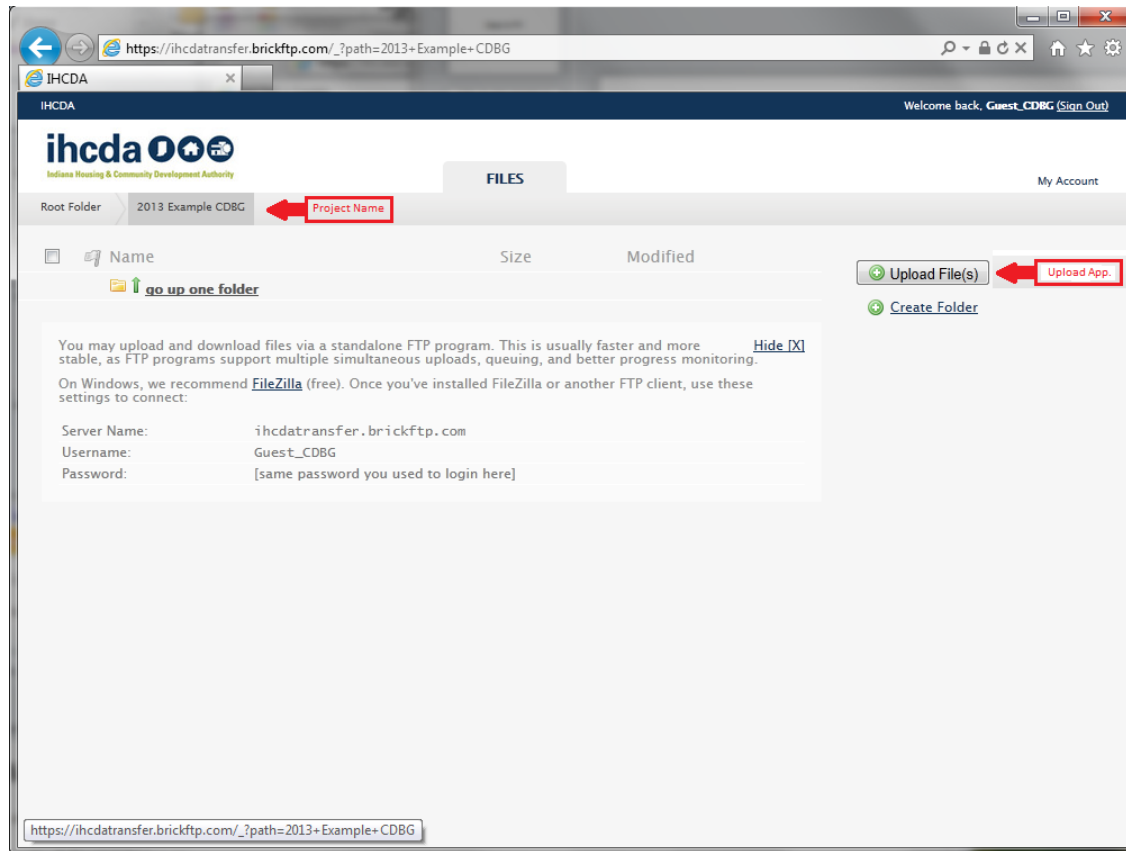
Filter by name

Upload FilesCreate Folder


<input type="checkbox"/>	Name 	Size	Modified	Actions
	↑ Go to parent folder			
<input type="checkbox"/>	2013 CDBG ORR APPLICATION	calculate	Jun 25, 11:41 am	
<input type="checkbox"/>	TAB A	calculate	Jun 26, 9:28 am	
<input type="checkbox"/>	TAB C	calculate	Jun 26, 9:34 am	
<input type="checkbox"/>	TAB D	calculate	Jun 25, 11:42 am	
<input type="checkbox"/>	TAB E	calculate	Jun 25, 11:42 am	
<input type="checkbox"/>	TAB F 	calculate	Jun 25, 11:42 am	  
<input type="checkbox"/>	TAB G	calculate	Jun 25, 11:45 am	
<input type="checkbox"/>	TAB H	calculate	Jun 25, 11:45 am	
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<input type="checkbox"/>	TAB J	calculate	Jun 25, 11:46 am	
<input type="checkbox"/>	TAB K	calculate	Jun 25, 11:46 am	
<input type="checkbox"/>	TAB L	calculate	Jun 25, 11:46 am	
<input type="checkbox"/>	TAB M	calculate	Jun 25, 1:40 pm	
<input type="checkbox"/>	TAB O	calculate	Jun 25, 11:47 am	
<input type="checkbox"/>	TAB P	calculate	Jun 25, 1:44 pm	
<input type="checkbox"/>	TAB X	calculate	Jun 25, 11:47 am	


Indiana Housing & Community Development Authority

6. BEGIN TO UPLOAD FILES FOR YOUR APPLICATION BY CLICKING THE UPLOAD FILE BUTTON





6. UPLOAD EACH FILE OR DOCUMENT INDIVIDUALLY

Welcome back, [Jeff_Hasser](#) ▾

Root Folder / [2013 Example CDBG](#) / Tab A

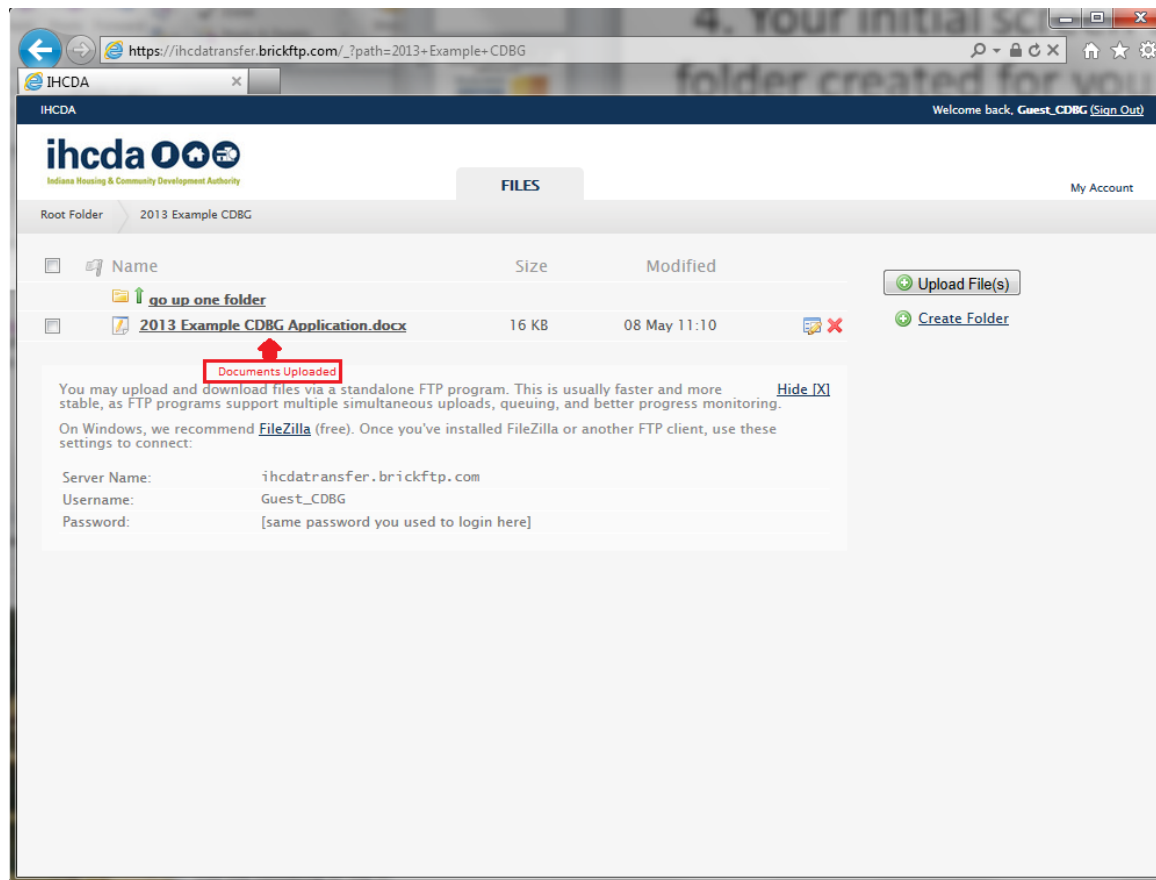
FilesPermissionsNotificationsHistory

Upload FilesCreate Folder

<input type="checkbox"/>	Name 	Size	Modified	Actions
	Go to parent folder			
<input type="checkbox"/>	Example Additional Document.docx	0 Bytes	Aug 2, 12:29 pm	
<input type="checkbox"/>	SAM Registration.docx	16 KB	Aug 2, 12:28 pm	

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7. CHECK THAT ALL OF THE APPLICATION DOCUMENTS HAVE BEEN UPLOADED AND EXIT



THANK YOU!

Questions?